

Lessons Learned –October-December 2002

Independent Review Lessons Learned:

OSD has asked that the services collect Lessons Learned in five categories:

- Functionality Assessment
- Performance Work Statement (PWS) Development Phase
- Management Plan Development Phase
- Solicitation and Source Selection Phase
- Cost Comparison and Administrative Appeal Phase
- Implementation and Transition Phase
- Other

Performance Work Statement (PWS) Development Phase

Management Plan Development Phase

TPP/Performance Requirements

Technical Performance Plans should address how the MEO will meet the Performance Requirements in the PWS. Lessons learned from past studies include:

1. The Independent Review Team cannot determine that the MEO can meet the quality and timeliness standards in the PWS unless these items are addressed (in the Quality Control Plan, for instance).
2. Some CA Teams plan to do more than the PWS requires, for example, institute ISO 9000 standards. The Technical Performance Plan should accurately reflect the in-house proposal to the Source Selection and Evaluation Board . CA Teams that plan to do more than the PWS requires risk not being as efficient as the commercial offeror.

Changes in the MEO Team

If changes are required to the MEO Team as the study is in progress, an education and learning phase for the new members should be planned.

Firewall between MEO /PWS teams

A recent N124 message stated : “The ‘firewall’ should remain in place until a cost comparison decision is reached.” This excerpt helps clarify how CA Teams should conduct their studies. Some CA Teams believed that the “firewall” was not necessary after the solicitation was published on the World Wide Web. Other CA Teams looked ahead to responding to questions from bidders, and changes during a possible protest or appeal and decided to maintain the “firewall” through the appeal process.

Indirect Support

To address personnel costs, the DoD Cost Manual states, on page 23, paragraph C1.1.2, “Also included are other local personnel costs expended in operation of the activity being cost compared, or where responsibilities change if performance is converted to or from in-house from or to contract/ISSA performance. They include management and oversight

activities, such as direct and indirect managers and supervisors above the first line of supervision who are essential to the performance of the CA being competed, personnel support, environmental or Occupational Safety and Health Administration (OSHA) Act compliance management, etc. These costs are not part of the twelve-percent overhead factor detailed in Chapter Four: Overhead Costs.”

The IRO Process

N 124 has provided this guidance in an email:

“Certain discussions of IR findings, such as those dealing with the overall numbers of positions and associated costs including total cost are procurement sensitive and should not be discussed with anyone except the limited number of personnel from the MEO team who were personally and substantially involved in developing this information.”

“While the IRO may provide some comments regarding the PWS, technically the PWS is the reference document that the IRO uses to determine if the management plan can do the work required by the PWS and if the MEO costs are properly reflected.”

CA Teams should discuss how many briefings will be required and what should be covered at each meeting with the IRO team, because it influences the schedule and the Independent Review Team’s preparation of documents. As a lesson learned, one solution that has worked well is the following:

1. Have a general briefing for everyone involved on general things that affect everyone such as procedures, schedule, security and logistics.
2. With the PWS Team, the Independent Review Team discusses action items about general observations that would clarify the solicitation for any bidder. Since the solicitation must be published prior to the Independent Review Team’s visit, any changes would be done by amendment.
3. With the MEO Team, discuss the action items that address the general questions, “Can the MEO perform the PWS?” and “Are the costs backed up by source documents?”
4. For control, the Independent Review Team would prepare a Master Form for tracking action items. When presenting the action items to the PWS Team and the MEO Team, this Master Form would be split into a PWS/QASP Form and a Management Plan Form. In this way, the PWS Team only sees the PWS action items (if any) and the MEO Team only sees items applicable to the Management Plan. The Independent Review Team would control the Master Form.

IRs for Under 40 FTE

The Naval Audit Service does not independently review CA studies with 40 or fewer FTE . The claimant must provide a qualified Independent Review Officer, and schedule their time to meet with the CA Team and the Independent Review Contract support personnel, provided by N124.

OPNAVINST 4860.7C page I-28 says, “To meet the requirements of OMB Circular A-76, a qualified person, independent of the activity preparing the estimate, will review cost estimates for cost comparisons involving 40 or fewer positions. This reviewer can be an internal manager, a management analyst, or a financial specialist versed in CA study cost procedures. The reviewer may request specific technical assistance in applying guidance from the NAVAUDSVC.”

IHCE

Printing the total FTE for each year is easier than adding up each year to ensure the total FTE in the IHCE matches the FTE in the MEO. Use the following procedure to print the total FTE:

1. Open win.COMPARE2 and navigate to your study, and open it with the password.
2. Go to Cost Records
3. Put the bullet on Personnel Records Line 1 and go to Continue
4. This will get you to the data entry screen with lots of lines. At the lower portion of the screen, hit Print tab.
5. This will get you to a Personnel Cost Menu where you have to select a Sort Option
6. Select sort by Type/Functional Area all line entries
7. This takes you to a Print Screen
8. Down at the bottom of the page, there is a scroll window showing you are on page 1, scroll to the last page.
9. The last page should show the total FTE for each performance period.
10. Include this print out in your worksheets for the IHCE.

Cost Comparison and Administrative Appeal Phase - none

Implementation and Transition Phase - none

Post MEO Review

The Post-MEO Performance Review confirms that the MEO has been implemented in accordance with the Transition Plan, establishes the MEO’s ability to perform the services of the PWS and confirms that actual costs are within in the in-house cost estimate. Current N124 guidance directs Post MEO Reviews be accomplished as they are scheduled, without slippage. For Post MEO Reviews scheduled by N124, the CA Team should prepare all the documentation required for the Post MEO Review. If portions of the required documentation are not available during the site visit, the MEO under review will be given two weeks to provide the necessary documentation.